The Fifth Estate

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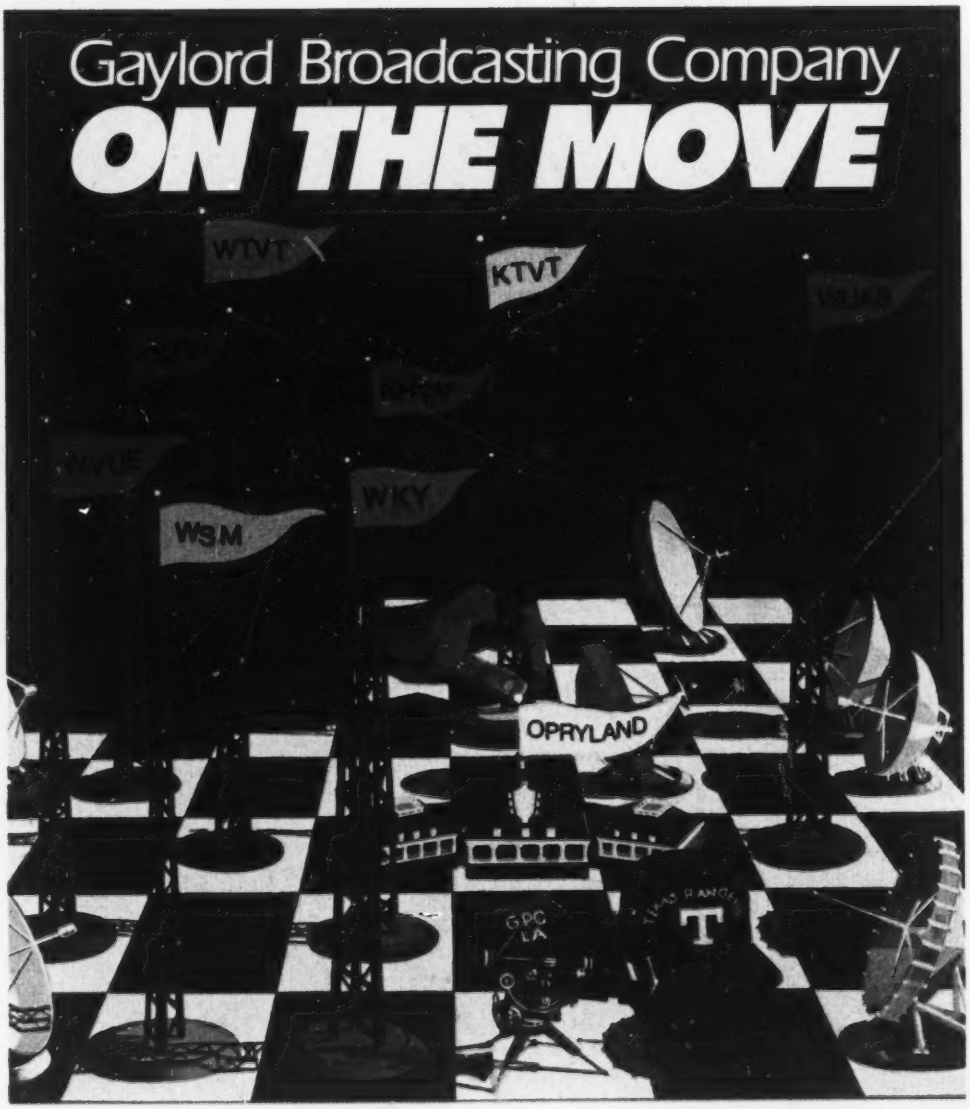
Broadcasting ϟ Jun 10



SEE STORY PAGE 40 ...

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54th Year 1985

Vol. 108 No. 23

Broadcasting Jun 10

Gavel to gavel coverage of the NCTA
The NAB joint board chairmanship candidates "At Large"
A hearing at the FCC on Turner-CBS

CABLE BULLS □ Buoyed by Arthur D. Little study and passage of cable act, industry sees greener pastures ahead, but plenty of riddles to solve along the way. **PAGE 31-35.**

AUTUMN CHANGES □ ABC drops two comedies from fall schedule. **PAGE 36.**

NO LIBEL, BUT... □ Jury awards New Jersey businessman $1.25 million in suit he brought against WCBS-TV New York after "ambush interview." **PAGE 36.**

AND THE CANDIDATES □ BROADCASTING sat down with the three men running for the joint board chairmanship of the NAB—Edward Giller, Walter May and Ted Snider—to gather their comments on their candidacies and the future direction of the association. **PAGES 43-60.**

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$6.9 million grant from the federal government. NCI had hoped that its dependence of the government would end with the final installment of the $6.9 million in 1982. But, because of its early trouble, it has had to keep returning to the federal well. Over the past three years, the Department of Education has been giving NCI more and more money for captioning. Its grants have grown from $900,000 in 1983 to $3.3 million in 1985, fully half of NCI's revenues for the year. NCI hopes for a federal contribution of $6 million for 1986.

Supplementing the funds from the government and from ABC and PBS, NCI's two longest and most faithful supporters, are dozens of groups and companies, ranging from Aaron Spelling Productions to Xerox Corp. Included is the NCI Caption Club, a group of regular caption viewers. According to NCI spokesman Don Thieme, the club anted up more than $80,000 in 1984 and is well on its way toward meeting its goal of $100,000 in 1985.

Other media have also proved to be an important new source of revenue to NCI and captioned programing for the hearing impaired. NCI has captioned some 250 movies for the home video industry. And Home Box Office, Showtime/The Movie Channel and the Disney Channel telecast about 15 hours a week of NCI-captioned movies and series.

Ever since NCI adopted its current funding strategy, it has been increasingly difficult to say who is funding the captioning of what program. Money for the captioning of NBC's *Highway to Heaven*, for instance, Thieme said, comes from Michael Landon, the producer; Pew Memorial Trust, Shell Companies Foundation, Grace Foundation and the NCI Caption Club.

NCI is also working to make decoders more affordable. According to Ball, NCI is expecting a $1.5-million federal grant for the development of a new "decoder module." The module, Ball said, would permit the manufacture of set-top adapters retailing for less than $200. Decoders in set-top adapters are now sold by several retailers, primarily Sears, for around $280.

If NCI can convince half a million households to buy decoders by the end of the decade by helping to bring down the price and continuing to increase the amount of captioned programing, it feels the participation in captioning by the three commercial networks will no longer be a matter of altruism, but of sound business.

Despite the optimism, Ball is not without his worries. "One thing that scares me a little is what happens to ABC, our dearest, longest client, now that Capital Cities is taking over," he said. "Every time I read BROADCASTING, you guys are always talking about how careful Capital Cities is with the money. It will be interesting to see what will happen there. I hope we are doing a good job for ABC and that the new management will continue to feel its a worthwhile endeavor." □

NBC dominates prime time ratings

For the week ending June 2, NBC convincingly trounced its network competition, demonstrating how well its regular series can do during the heavy repeat summer schedule. NBC captured eight of the top 10 slots, six of which were repeats, and 13 of the top 20. ABC and CBS had only one program each in the top 10, and four and three, respectively, in the top 20.

NBC's winning average rating was a 14.7, and its share 26, according to Nielsen's National Television Index. Second-place ABC had a 12/21, leaving CBS in the unfamiliar position of third with an 11.4/20.

HUT levels for the week were up from last year's 56.5 at 56.8. The combined rating/share for the three networks was a 38.1/67.4. Among the week's schedule of 62 programs, there were 45 repeats and 11 specials.

The only night NBC lost was Sunday, won by CBS.

■ The *NBC Monday Night Movie*, the second part of "Deceptions" (21.8/35), the second-ranked program of the week, carried the night for NBC. *TV Bloopers and Practical Jokes* combined with the movie to make Monday the highest-rated night of the week. The "Rape of Richard Beck" on the *ABC Monday Night Movie* scored a 14.4/23. For its two nights, "Deceptions" had an average of 20.9/35.

■ Tuesday night featured the sixth- and eighth-ranked shows of the week on NBC, the *A Team* and *Bob Hope's Happy Birthday Homecoming—A Royal London Gala* (17.6/29).

■ On Wednesday, a traditional ABC stronghold, NBC just edged ABC for the night, 14.4/25 to 14.2/25. At 9 p.m., ABC's *Barbara Walters Special* (16.9/27), ranked 10th for the week, and it was followed by *Hotel* (15.1/27), which ranked 15th. *Fall Guy* (10.5/19) could not top NBC's *Highway to Heaven* (15.5/28) as a lead-in, however, at 8 p.m.

■ Thursday night on NBC featured the number-one, three, four and five shows of the week, in that order of broadcast, from the regular Thursday night schedule. The night's closest competition came from the second game of the NBA championship series between Los Angeles and Boston (14.3/25) from 9 to 11 p.m. on CBS, and *20/20* (15.1/26) from 10 to 11 on ABC. Thursday was the also the highest night of the week for combined share for any network, with the NBC schedule garnering a 32.2.

■ Friday was the lowest-rated night of the week for the networks. *Miami Vice*, the seventh ranked show of the week, helped NBC to victory. Only three of the night's nine programs made it into double figures in ratings. In addition to *Miami Vice*, the other two were *Webster* and *Benson*, running at 8-9 p.m. on ABC. They scored an 11/24 and a 10.2/22, respectively.

■ CBS gave NBC a run for its money on Saturday with strong showings of *Airwolf* (11.4/22) and *Mickey Spillane's Mike Hammer* (11.3/22).

■ Although it only got an 11.9/21 for the *39th annual Tony Awards*, CBS had a Sunday night win on the strength of the ninth and 11th place shows of the week, *60 Minutes* (17.3/35) and *Murder, She Wrote* (16.3/28). ABC got an unusually strong performance out of a theatrical movie from 9 to 11 p.m. with "The Shining." The *NBC Sunday Night Movie*, "Gus Brown and Midnight Brewster," scored a 15.8/26 from 9 to 11 p.m.

Rank	Show	Network	Rating/Share
1.	The Cosby Show	NBC	22.7/41
2.	Deceptions, pt. 2	NBC	21.8/35
3.	Family Ties	NBC	20.6/37
4.	Cheers	NBC	19.3/33
5.	Night Court	NBC	18.8/31
6.	A Team	NBC	18.6/30
7.	Miami Vice	NBC	17.6/33
8.	Bob Hope Special	NBC	17.6/29
9.	60 Minutes	CBS	17.3/35
10.	Barbara Walters Special	ABC	16.9/27
11.	Murder, She Wrote	CBS	16.3/28
12.	Midnite Brewster	NBC	15.8/26
13.	Highway to Heaven	NBC	15.5/28
14.	Facts of Life	NBC	15.5/26
15.	Hotel	ABC	15.1/27
16.	20/20	ABC	15.1/26
17.	Hill Street Blues	NBC	14.8/26
18.	Scene of the Crime	NBC	14.4/26
19.	Rape of Richard Beck	ABC	14.4/23
20.	Basketball, L.A. vs. Boston	CBS	14.3/25
21.	The Shining	ABC	14.1/24
22.	America Censored	CBS	14.0/22
23.	TV Bloopers and Prac. Jokes	NBC	13.8/25
24.	Brotherly Love	CBS	13.6/23
25.	Sara	NBC	13.4/22
26.	St. Elsewhere	NBC	13.3/23
27.	Hardcastle & McCormick	ABC	12.8/23
28.	When Dreams Come True	ABC	12.3/21
29.	Kate & Allie	CBS	12.7/20
30.	Newhart	CBS	12.5/19
31.	Three's a Crowd	ABC	12.4/20
32.	Tony Awards	CBS	11.9/21
33.	Airwolf	CBS	11.4/22
34.	Mike Hammer	CBS	11.3/22
35.	Scarecrow & Mrs. King	CBS	11.3/20
36.	Hunter	NBC	11.2/21
37.	Webster	ABC	11.0/24
38.	Magnum, P.I.	CBS	11.0/20
39.	Finder of Lost Loves	ABC	10.8/20
40.	Fall Guy	ABC	10.5/19
41.	Benson	ABC	10.2/22
42.	Knight Rider	NBC	10.2/18
43.	Gimme a Break	NBC	10.1/19
44.	Listen to Your Heart	CBS	9.9/19
45.	Mama's Family	NBC	9.8/18
46.	It's Your Move	NBC	9.6/20
47.	I, Desire	ABC	9.6/17
48.	T.J. Hooker	ABC	9.6/21
49.	Love Boat	ABC	9.6/18
50.	V	NBC	9.4/18
51.	Different Strokes	NBC	9.3/21
52.	Ripley's Believe It Or Not	ABC	9.2/18
53.	Arch of Triumph	CBS	9.2/16
54.	Cagney & Lacey	CBS	8.8/14
55.	Best Times	NBC	8.4/18
56.	Silver Spoons	NBC	8.2/16
57.	Seduction of Joe Tynan	ABC	7.9/15
58.	Cover-Up	CBS	7.7/17
59.	Aftermash	CBS	7.1/16
60.	Democratic paid political	CBS	7.1/13
61.	Now to Be a Man	CBS	6.8/12
62.	Punky Brewster	NBC	6.5/13

*indicates premiere episode

Fifth Estaters sort out tax proposal

Many agree that changes will help their company's bottom lines

Although the ink on the President's 450-page tax proposal had barely dried last week, a few provisions were already eliciting comments from Fifth Estate financial executives and other experts contacted by BROADCASTING. Broadcasters and advertising agencies at first glance saw benefits in the proposal, whereas cable operators and programing production companies seem worried about the possible impact.

Perhaps most important among the changes proposed by the administration is the elimination of investment tax credits (ITC's) that, simply put, allow companies to subtract from their tax bills 6% to 10% of the sum that they have spent during the year on certain types of assets.

Program producers have been among those whose net income has been increased substantially through use of the ITC. A hypothetical company that provided five hours of serial programing to the networks at a cost of $1 million per hour would have gained $4.3 million a year from the ITC—6.67% of $5 million times 13 episodes.

Film and television production companies which "recognized" sizable ITC's in 1984 (the credits can also be deferred and applied against taxes paid in future) include MCA ($34 million) and MGM/UA ($9 million). Similarly, annual financial reports show that the ITC alone reduced the 1984 effective tax rate of Lorimar by 61% and that of Telepictures by 24%.

A number of Fifth Estate companies have been in court recently trying to obtain permission to use ITC's. Depositions begin next month in a complaint brought by NBC and ABC. The suit says, among other assertions, that the networks, and not the studios, bear the financial risk of program production and therefore should have been the beneficiaries of ITC's. Scheduled for trial in February, the complaint covers more than 20 years of tax returns and tens of millions of dollars.

The administration's proposal to end ITC use by all companies was seen as ominous by the director of taxes for one of the major producers: "Network license fees fund the production costs, so therefore, in a significant sense the profit we made was on the investment tax credit which could be used to offset taxes on other income, assuming there was other income. Because taxes would go up without the credits, there is effectively a greater cost of production. And I don't think the change could be passed on to the networks in the form of increased license fees." Instead, he said, operating profit margins would be tighter and there would be more pressure on the production industry to reduce costs.

Sampling of 1984 effective tax rates* for Fifth Estate corporations

Doyle Dane Bernbach	59%
Interpublic Group	55%
United Television	51%
Capital Cities	50%
BBDO	47%
ABC	47%
CBS	46%
Cox Communications	43%
Chyron	42%
Foote, Cone & Belding	38%
Telepictures	38%
Tele-Communications	37%
TCA Cable TV	35%
M/A-Com	33%
Storer	25%
Lorimar	18%
MCA	7%

**Effective tax rate is not necessarily what company paid in taxes but shows difference from statutory rate (46%) according to deductions and credits used by company. It often includes state and local taxes net of federal tax benefit (usually 3%-5%) and foreign taxes.*

Most of the programing produced in-house by the networks (mainly sports and news) is currently ineligible for the ITC because the Internal Revenue Service considers that material to be of only current interest, rather than of long-term value. The IRS said that rationale also excluded game shows from eligibility for the ITC, but a court ruling several months ago gave Goodson-Todman the right to claim ITC's for *To Tell the Truth*, a decision that may pave the way for other shows of the genre.

Fortunately for the cable industry, the proposed elimination of the investment tax credit would come after the greatest part of its building program and asset purchases had been made. And the proposed reduction in the maximum tax rate—from 46% to 33%—would also come as some of them are beginning to show income. The elimination of ITC's, however, would still be significant in the near term.

United Cable TV recognized $3.7 million worth of ITC's in 1984, Tele-Communications Inc. $9.7 million and TCA Cable TV $750,000. Alton C. Rye, treasurer of TCA Cable TV, said that all the headend equipment, computerized receiving equipment and converter boxes have ITC's available to them: "The ITC benefits are considerable, particularly when converting to an addressable system," Rye said. A million-subscriber MSO could hypothetically reduce its taxes by $12 million when switching to addressable convertors—10% ITC, multiplied by $120 per addressable convertor, multiplied by one million.

Many broadcasters and advertising agencies may have their tax rates reduced if the maximum corporate tax rate is lowered, as proposed, from 46% to 33%. In general, they cannot avail themselves of as many tax breaks as other industries.

One area where some of them might be negatively affected relates to a rule on recording income. Several years ago, the IRS temporarily loosened its procedures and allowed a number of corporations to switch from accrual to cash accounting—in the case where a $3,000 payment for a 30-second spot is not received until 90 days after the ad runs, "cash accounting" would record the payment when it is actually received, whereas "accrual accounting" would enter it at the time the ad ran.

The switch to cash accounting benefitted a company with a large amount of receivables (money owed it) outstanding at the time taxes were filed because that money would not yet have been recorded as income. As an example, when Cox Communications bought WKBD-TV in Detroit, it was able to deduct roughly $7 million in receivables for

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the station from its taxable income (it was able to use cash accounting under special rules for a recently purchased asset).

If, as is often the case, the value of accounts receivable is greater for the current year end than that of the preceding year, the company can continue to get a tax benefit from the cash accounting method. Vincent Lubrano, vice president of taxes for The Interpublic Group of Companies—which has been on what is known as modified cash basis since 1981—said that many medium size and smaller agencies could be affected: "We have acquired some smaller agencies that because of their accounting and for other reasons had not paid any taxes for 10 or 15 years." Small companies (with gross receipts under $5 million) meeting certain conditions would still use cash accounting.

The bottom line of the tax proposals, said the Interpublic executive, is: "We feel our tax rate is going to drop." Among the positive changes that might come about, he noted, were the proposed deduction for public companies of 10% of their dividend payments to shareholders.

As for the proposed elimination of business entertainment deductions and the restrictions on meal and travel write-offs, Lubrano said there were differing opinions: "One school of thought said that our entertainment will be reduced, so that the net effect may even be positive. The other opinion is that people won't change style so quickly and that increased taxes will hurt net income."

Also wondering how much effect the change in entertainment and meal deductions would have was Arthur Angstreich, vice president of tax administration for NBC: "Entertainment is a function of any service business, 'people industries' if you will. There has always been a fair amount of entertainment to develop client relationships and make presentations. I think you will continue to have these kinds of ongoing business meetings."

Group owner and MSO Cox Communications might benefit from the proposal, guessed Preston Barnett, tax manager: "We did a calculation under the earlier Treasury proposal and there was a positive change in rate, particularly on the broadcast side. For our cable operations, a substantial proportion of it has run out of depreciation benefits anyway and so we are at the point there of having to pay taxes."

Because cable is a capital-intensive industry, the rate at which it can depreciate (reducing the currently listed value to account for use and age) assets is important because depreciation is treated as an expense of business and thereby reduces taxable income. The amount per year that a company can claim as depreciation varies by the type of asset, which is usually categorized by the IRS in one of a number of classes.

Last week controllers and tax officers of the MSO's were studying the administration's newly proposed classes to see which would be applicable to underground cables, taps and other property and equipment. "Distribution plant for communications services" falls in the fifth class, and if that is meant to include the better part of cable assets, as most of those commenting initially

Fifth Estate Quarterly Earnings

Company	Quarter	Revenue (000)	% change	Earnings (000)	% change	EPS **
Birdview Satellite	Year	$54,980	152	$3,830	2179	$0.46
Cetec	First	$15,903	−20	$313	−4	$0.14
Chyron	Third	$9,064	69	$806	−12	$0.09
Clear Channel	First	$5,319	98	$198	−53	$0.07
Doyle Dane Bernbach	First	$51,180	10	$1,106	−15	$0.21
Gulf Broadcast	First	$32,163	77	($755)	NM	$0.02
Jacor Commun.	Year	$3,412	72	($305)	NM	($0.05)
Times Fiber	First	$22,725	−23	$1,212	28	$0.13
M/A-COM	Second	$210,233	12	$9,900	30	$0.23
Maclean Hunter	First	$224,469	8	$9,676	32	$0.27
MCA	First	$431,569	10	$18,377	−13	$0.38
Motorola	First	$1,322,000	5	$41,000	−47	$0.35
Movielab	Year	$4,307	30	($4,565)	NM	($2.80)
Playboy	Third	$44,995	--	($346)	NM	−($0.03)
Reeves	Third	$47,756	−21	($4,303)	NM	($0.35)
Satellite Syndicated Systems	First	$8,300	24	$1,230	1	$0.21
Scripps-Howard	First	$28,533	12	$2,035	−24	$0.20
Tele-Communications	First	$139,386	38	$364	−97	$0.01
Telepictures	First	$32,002	52	$2,031	72	$0.24
Times Mirror	First	$695,020	4	$44,235	2	$0.64
United Artists	Second	$115,703	32	$2,503	20	$0.12
Westinghouse	First	$2,314,100	2	$129,700	11	$0.74

** Percentage change from same period year before. ** Earnings per share. Parentheses indicate loss. NM means not meaningful.*

Birdview Satellite net income includes $1.5-million loss carry-forward tax benefit. ■ Results of **Chyron** include figures from 39.5%-owned CMX Corp. on consolidated basis as of Jan. 1 and 51%-owned Digital Services Corp. on consolidated basis as of Feb. 1. ■ In previous first quarter, **Gulf Broadcast** had income of $1.8 million. ■ For 1983 **Jacor** registered loss of $563,512. ■ Within **MCA's** filmed entertainment division, television revenue rose 27% from previous first quarter to $127.5 million while home video and pay television revenue rose 55% to $59.4 million. Company's operating income declined 8% to $21.6 million. ■ Results for **Maclean Hunter** stated in Canadian dollars. ■ **Movielab** posted loss in previous year of $3.1 million. Loss in year ending Dec. 29 includes $2.9-million loss from disposal of discontinued operations. ■ In third quarter of 1984, **Playboy** earned $22.8 million. Of that, $16 million came from sale of certain assets and $6.8 million from loss-carried-forward tax benefit. Operating income for third quarter declined from $2.4 million last year to loss of $2.4 million in just completed quarter. Contributing to problem was video division, which posted lower earnings: "The quarter-to-quarter variance is due largely to positive royalty adjustments made a year ago in Playboy's home video business." Company also said that subscriber growth for The Playboy Channel was "less than what had been projected by the distributor. . . Rainbow Programing Services Co." ■ **Reeves** had income of $1.5 million in previous third quarter. ■ Cash flow for **Tele-Communications Inc.** increased 30% to $55.8 million for first quarter of 1984. Operating income (cash flow minus depreciation and amortization) increased 19% to $29.1 million. To explain sharp drop in net income, company cited increase in interest expense (from $23.7 million to $32.6 million) and decrease in gain from sale of assets (from $14.9 million to $812,000). ■ **Telepictures** said increase in revenue came from most of company's activities. Improved earnings were partly attributable to investment tax credits from increased production, reducing effective tax rate from 47% in first quarter of 1984 to 30%.

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guessed was the case, it would reduce the rate at which assets could be depreciated.

Under the current "accelerated" depreciation system, most cable assets are written down in five years. Under class five of the proposed Capital Cost Recovery System many, and perhaps most, of those same assets would instead be written down over 10 years. One balancing feature of the proposed change is that companies could revalue those assets to account for inflation, thereby increasing the sum that could be depreciated. But even assuming 10% inflation, the amount that could be expensed to depreciation in the first five years for the newly proposed class five would still be less than two-thirds of that currently allowable for most cable assets.

Programing comprises a large part of the assets held by broadcasters, but at least one of the special methods used by many of them to depreciate those assets, called the "income forecast method," would not be affected by the administration's proposals.

Changes suggested for the individual income tax are likely to have a potentially large impact on Fifth Estate companies. One of the links in the chain effect is the suggested end of deducting state and local income taxes (individual, not corporate) from taxable income for federal purposes. That might raise the costs of employe compensation—especially since a disproportionate number of Fifth Estate companies have employes living in New York, California and New Jersey, which rank among the top six states with per capita tax deductions. That would be countered by lower tax rates for individuals.

The lowering of the top individual tax rate from 50% to 35% would have the effect of reducing the benefits wealthy individuals would get from tax-oriented limited partnerships. Elimination of the investment tax credit and lengthier depreciation periods would also reduce the losses that would flow through to the partners.

Steven J. Haupt, vice president of the communications division at Shearson Lehman Brothers, said limited partnerships for cable would not end if the tax proposals were enacted but would instead change emphasis: "What we will probably see is that partnerships will pay cash in the earlier years instead of tax benefits." Haupt foresees a change in the capital structure of limited partnership deals: "In a typical deal, 65% to 85% of the financing comes from debt, and most of the cash flow, goes to amortize that debt. In future deals, what you might see is a slightly lower leverage factor." Other possible changes, he said, include a greater amount of money contributed by the general partner. He also saw a change in the "flip-flop" arrangement of partnerships—where limited partners participate to a high degree in the early losses and the general partner obtains more participation when the system becomes profitable.

The change to income-producing partnerships would be beneficial to broadcasters, said Jim Moore, president of Atlanta-based Media Capital Group. He noted that real estate partnerships appear to be greatly hurt by the administration's proposal and money may be more available to other industries: "In our partnerships, we are going for upside and appreciation. Reagan is effectively sanctifying the upside and the entrepreneuer and going after the tax shelter game, which we are not in." Moore also noted that the proposed reduction in the effective capital gains rate for individuals also makes "upside" investments more attractive.

There are a variety of other important changes in the administration's proposal. Numbers that will have to be juggled as financial departments begin doing studies of the tax proposal's impact include changes in the credit given to companies that pay foreign taxes—very important to cable product suppliers, many of which have moved manufacturing operations abroad in recent years. Also to be considered are changes affecting ESOP's (employe stock ownership plans); a proposed minimum corporate tax, and a proposed three-year "windfall" tax that would prevent companies from getting the benefit of a lower maximum tax rate before tax breaks due for elimination have fully wound down.

Like any political football, the two-week-old proposal could well change shape as it passes through the hands of Congress. But whatever its final form, the resulting new tax code will undoubtedly alter the profit standings of most Fifth Estate companies. In addition to the direct impact it may have on corporate income, a change in tax payments could also affect the money available to advertisers and the discretionary incomes of individuals. □

The $60-million turnaround

Fifteen months ago, SFN bought an Orlando, Fla., VHF for $125 million; last week it sold it to Cox Communications for $185 million

SFN Chairman and President John Purcell felt redeemed after selling WFTV(TV) Orlando, Fla., last week to Cox Communications for $185 million. When SFN bought the station, just 451 days ago for $125 million, "There were a lot of people whom I respect telling me I had paid too much," he told BROADCASTING.

Three weeks ago, Purcell said SFN hadn't even thought about selling the station: "Some people had previously told us we could probably sell the station for $150 million but that wasn't enough to make us want to leave the market. But then we had these overtures."

SFN also announced last week the purchase of a minority interest in the construction permit for channel 58 in Sacramento, Calif., and Purcell made clear the Glenview, Ill.-based publishing and information services company was not getting out of the broadcasting business—it also owns three other television stations, a production studio in Puerto Rico, and two AM's and one FM. But the quick turnover of its major property at least raised a few eyebrows.

All four Fifth Estate companies that have undertaken leveraged buyouts—Harte Hanks, Wometco, Metromedia and SFN—have now divested all or a sizable portion of their broadcasting assets. The SFN chairman and president said the decision to sell WFTV(TV) was unrelated to any financial pressure the company was under from the LBO.

"The offers came at a time in our life when we really wanted to redeploy our assets," he said. "We were tied to certain loan covenants and restrictions by the banks that did not provide enough flexibility." (SFN currently has about $300 million in bank debt.) Purcell said that SFN in the future would take advantage of the production facility in San Juan, Puerto Rico. That might include increasing the company's distribution of Spanish-language product: "We might in the future want to take positions in Hispanic TV stations in major markets."

The minority position SFN Communications will take in the Sacramento UHF, majority owned by Schuyler Communications, could be expanded to a majority position. Purcell said that when the station goes on the air next January, it would not need too large a slice of the market to make a return on the several-million-dollar start-up costs. He also noted that although the growth rate of Orlando (the 30th ranked market) was one of the highest in the nation, the growth rate of Sacramento (the 20th ranked market) is also good and, because of the state capital, stable.

But the big news last week was the $185 million. There were several others who considered buying the station, and one person who saw the financial statements said WFTV went for about 16 times cash flow, a higher multiple than SFN paid when it bought the station.

The purchase now gives Cox eight television stations: KTVU(TV) Oakland, Calif. (ch. 2, independent); WSB-TV Atlanta (ch. 2, ABC); WKBD-TV Detroit (ch. 50, independent); KDNL-TV St. Louis (ch. 30, independent); WSOC-TV Charlotte, N.C. (ch. 9, ABC); WHIO-TV Dayton, Ohio (ch. 7, CBS), and WPXI(TV) Pittsburgh (ch. 11, NBC). WFTV, an ABC affiliate, is on ch. 9 with 316 kw vis., 31.6 kw aur. and antenna 1,570 feet above average terrain. □

Preserving moving images. Another step has been taken toward the preservation of America's film and television heritage. The first meeting of a newly founded Board of Advisers of the National Center for Film and Video Preservation at The American Film Institute—dedicated to saving endangered national production of film, television and video—was held in Los Angeles, bringing together top studio and network executives, museum directors, educators and government officials. The Preservation Center, which was jointly begun by the National Endowment for the Arts and the American Film Institute, was designed "to coordinate American preservation activities on a national scale," the NEA and AFI said.

D. Address: 3108 Fulton Ave., Sacramento, Calif. 95821. Principal is owned by Marvin B. Clapp, who has interest in five AM's, one FM and app. for five new AM's and six LPTV's. Clapp is chief engineer at KEBR(AM) Sacramento. Filed May 31.

■ St. Augustine Beach, Fla.—First City Broadcasting Inc. seeks 1170 khz; 2.5 kw-D. Address: 99 Arapaho Ave., 32084. Principal is owned by Marshall W. Roland (45%), his wife, Carol (45%), and his son, Marshall (10%). It owns WSOS(FM) St. Augustine, Fla. Filed May 31.

■ Woodville, Fla.—Tallahassee Radio seeks 1160 khz; 5 kw-D; 250 w-N. Address: 4610 Briarwood Dr., Sacramento, Calif. 95821. Principal is owned by Carl J. Auel, who has interest in six AM's, one FM and app. for five new AM's and six LPTV's. Filed May 31.

■ Carmel Valley, Calif.—Terry J. Collins seeks 540 khz; 500 w-D. Address: c/o WKKQ(AM) P.O. Box 1060, West Town Line Rd., Hibbing, Minn. 55746. Principal owns WKKQ(AM)-WTBX(FM) Hibbing, Minn. It also owns CP for new AM in Pine Island Center, Fla., and is app. for new AM's in Brandon, Royal Palm Beach and Lynn Haven, all Florida. Filed May 31.

■ Camdentown, Mo.—Osage Broadcasting seeks 1520 khz; 2.5 kw-D. Address: Route 2, P.O. Box 289 FF, Eldon, Mo. 65026. Principal is owned by Cheryl Benne (40%) and her husband, Dennis (10%), and Linda Kuenzies (40%) and her husband, Kenneth (10%). Kuenzies and Kenneth's parents own KSLQ(AM) Washington, Mo. Filed May 31.

■ Kinsey, Mont.—Miles City Broadcasting Corp. seeks 1050 khz; 5 kw-D. Address: 60 W. 4th St., St. Paul, Minn. 55102. Principal is owned by William J. O'Brien, who also owns KMCM-FM Miles City, Mont. Filed May 31.

■ Sun Valley, Nev.—Sun Valley Radio seeks 550 khz; 500 w-D. Address: 716 S. 7th Ave., La Grange, Ill. 60525. Principal is owned by Janice L. O'Brien, who has no other broadcast interests. Filed May 31.

■ Dishman, Wash.—Classical Music Broadcasters seeks 740 khz; 500 w-D. Address: P.O. Box 130, Medical Lake, Wash. 99022. Principal is owned by Jim L. Key, who owns FM translator in Ellensburg, Wash. Filed May 30.

Facilities Changes

Applications

AM's

Tendered

■ KDLG (670 khz) Dillingham, Alaska—Seeks CP to increase day and night power to 10 kw. App. May 30.

■ WINZ (940 khz) Miami—Seeks CP to changes in daytime directional pattern. App. May 29.

Accepted

■ KCNO (570 khz) Alturas, Calif.—Seeks CP to change TL. App. May 29.

■ WOCN (1450 khz) Miami—Seeks CP to make changes in ant. sys. and change TL. App. May 29.

■ WCEG (1530 khz) Middleborough, Mass.—Seeks CP to change TL and make changes in ant. sys. App. May 29.

■ WQCC (1540 khz) Charlotte, N.C.—Seeks MP to change TL. App. May 29.

■ WRIG (1390 khz) Schofield, Wis.—Seeks mod. of lic. to operate transmitter by remote control. App. May 29.

FM's

Accepted

■ WJAL (ch. 68) Hagerstown, Md.—Seeks MP to move main SL outside community of lic. App. June 3.

■ *WKAR-FM (90.5 mhz) East Lansing, Mich.—Seeks CP to change ERP to 87.9 kw and change HAAT to 896.5 ft. App. May 29.

■ *KEMC (91..7 mhz) Billings, Mont.—Seeks CP to change ERP to 72 kw; change HAAT to 663.75 ft., and change TL. App. May 29.

TV's

Accepted

■ *WNEQ-TV (ch. 23) Buffalo, N.Y.—Seeks MP to change ERP to vis. 971 kw, aur. 97.1 kw; change HAAT to 992 ft., and change TL. App. May 29.

■ *WNED-TV (ch. 17) Buffalo, N.Y.—Seeks MP to change ERP to vis. 2,500 kw, aur. 250 kw; change HAAT to 1,076 ft., and change TL. App. May 20.

Actions

AM's

■ WVGB (1490 khz) Beaufort, S.C.—Granted app. to increase nighttime power to 1 kw. Action May 22.

■ WYKR (1490 khz) Wells River, Vt.—Returned app. to change hours of operation to daytime only with 5 kw; change freq. to 840 khz, and make changes in ant. sys. Action May 23.

FM's

■ KXVR (99.5 mhz) Mountain Pass, Calif.—Granted app. to change ERP to 10 kw. Action May 22.

■ WAXT (96.7 mhz) Alexandria, Ind.—Granted app. to change TL; change ERP to 2.3 kw, and change HAAT to 370 ft. Action May 22.

■ WXJY (96.3 mhz) Nantucket, Mass.—Dismissed app. to change TL; change ERP to 50 kw, and change HAAT to 492 ft. Action May 22.

■ WOOR (97.5 mhz) Oxford, Miss.—Granted app. to change TL; change ERP to 100 kw, and change HAAT to 980 ft. Action April 22.

■ KEZS-FM (102.9 mhz) Cape Girardeau, Mo.—Granted app. to change ERP to 100 kw and change HAAT to 2,226.99 ft. Action May 24.

■ WAZZ (101.9 mhz) New Bern, N.C.—Granted app. to change TL; change HAAT to 984 ft., and make changes in ant. sys. Action May 24.

■ KBYZ (96.5 mhz) Bismarck, N.D.—Granted app. to change SL to 4303 West Memorial Highway, Mandan, N.D. Action May 24.

■ WCNV (107.9 mhz) Amherst, Va.—Granted app. to change TL. Action May 23.

TV's

■ KLXV-TV (ch. 65) San Jose, Calif.—Dismissed app. to change ERP to vis. 2,840 kw, aur. 284 kw; change HAAT to 2,710 ft., and change TL. Action May 24.

■ KSHO-TV (ch. 26) Honolulu—Granted app. to change ERP to vis. 75.9 kw, aur. 7.59; change HAAT to 2,120 ft., and replace ant. Action May 28.

■ WKYH-TV (ch. 57) Hazard, Ky.—Granted app. to change ERP to vis. 1,310 kw, aur. 131 kw; change HAAT to 1,580 ft.; replace ant., and change TL. Action May 22.

■ KFOM-TV (ch. 10) Thief River Falls, Minn.—Granted app. to change ERP to vis. 240 kw, aur. 24 kw; change HAAT to 600 ft.; replace ant., and change TL. Action May 24.

■ KNLJ (ch. 25) Jefferson, Mo.—Granted app. to change ERP to vis. 2,042 kw, aur. 204.2 kw; change HAAT to 1,028 ft.; replace ant., and change TL. Action May 28.

■ WSJU (ch. 18) San Juan, P.R.—Granted app. to move SL outside community of lic. Action May 23.

■ KIAB-TV (ch. 23) Garland, Tex.—Granted app. to vis. 5,000 kw, aur. 1,000 kw; change HAAT to 1,141.8 ft., and change TL. Action May 24.

Summary of broadcasting as of April 31, 1985

Service	On Air	CP's	Total *
Commercial AM	4,785	170	4,955
Commercial FM	3,771	418	4,189
Educational FM	1,194	173	1,367
Total Radio	9,750	761	10,511
FM translators	789	444	1,233
Commercial VHF TV	539	23	562
Commercial UHF TV	368	222	590
Educational VHF TV	115	3	118
Educational UHF TV	184	25	209
Total TV	1,206	273	1,479
VHF LPTV	215	74	289
UHF LPTV	121	136	257
Total LPTV	336	210	546
VHF translators	2,869	186	3,055
UHF translators	1,921	295	2,216
ITFS	250	114	364
Low-power auxiliary	824	0	824
TV auxiliaries	7,430	205	7,635
UHF translator/boosters	6	0	6
Experimental TV	3	5	8
Remote pickup	12,338	53	12,391
Aural STL & intercity relay	2,836	166	3,002

* Includes off-air licenses.

Call Letters

Applications

Call	Sought by
	New AM
KUBR	Chapman Broadcasting Co., San Juan, Tex.
	New FM's
KTLM	Mann Broadcasting Co., Taft, Calif.
KQLA	Ogden Broadcasting Service Inc., Ogden, Kan.
	Existing FM
WGLU	WCRO-FM Hamilton Communications Inc., Johnstown, Pa.
	Existing TV
WXIN-TV	WPDS-TV Outlet Communications Inc., Indianapolis

Grants

Call	Assigned to
	New AM's
KHTH	Dillon Broadcasting Co., Dillon, Colo.
WHOF	Sumter County Broadcasting Inc., Coleman, Fla.
WZOM	Samuel K. Straterneyer Brookport, Ill.
KROL	Laughlin Roughrider Broadcasting Inc., Laughlin, Nev.
	New FM
KFXZ	Maurice Broadcasting, Maurice, La.
	Existing AM's
KDSI	KOPY Jefco Enterprises Inc., Alice, Tex.
KAMG	KCWM Independence Broadcasting Co., Victoria, Tex.
KUTR	KLTQ Sunrise-UTAH Inc., Salt Lake City
	Existing FM's
KAKN	KTTH Bay Broadcasting Co., Naknek, Alaska
KBSS-FM	KJON Booneville Broadcasting Co., Booneville, Ark.
KKUC	KBLM-FM Grand Radio Inc., La Grande, Ore.
WNOO-FM	WCHU-FM Southern Star Systems Inc., Soddy Daisy, Tenn.
WKQD	WBGY-FM TRH Inc., Tullahoma, Tenn.
KOPY	KDSI Jefco Enterprises Inc., Alice, Tex.